

## **Bond File Closure**

The following documents for 5 / 023 / 0047 made the bond file, which has been closed.

They have been scanned into the 2008 (yr)  
Internal folder

Confidential File as record # 0001 and the

Public File as record # 0001



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

August 2, 2006

John W. Holfert, President  
Utah Mineral & Fossil, Inc.  
84 East 1100 North  
Bountiful, Utah 84010

Subject: DOGM Receipt of Reclamation Surety, \$2000 and Reclamation Contract Requirements, Utah Mineral & Fossil, Inc., Maynard Topaz Mine, S/023/047, Juab County, Utah

Dear Mr. Holfert:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. On July 18, 2006, the Division received a check from SITLA in the amount of \$2000.00 that serves as reclamation surety for the Maynard Topaz Mine site. **In order to apply this surety to your small mining operation (SMO), it is necessary to complete the reclamation surety contract (form MR-RC) immediately.**


Please contact Minerals Surety Coordinator, Beth Ericksen at 801-538-5318, so the contract can be emailed to you. This contract shall be signed by an authorized person of the company, notarized and returned in its original form to the Division, attention Minerals Regulatory Program.

On June 8, 2006, a Division letter was mailed to all small mine operators requiring a reclamation surety bond for small mines within the state of Utah. This letter has a deadline of December 8, 2006 to meet the surety bond requirements. Additional reclamation surety bond requirements may be necessary. Please contact the reclamation specialist for Juab County, Tom Munson, 801-538-5321, to obtain assistance in the determination of potential additional surety and permitting requirements.

Page 2  
John W. Holfert  
S/023/047  
August 2, 2006

If you have any questions or require further discussion, please contact any of the mentioned persons in this letter or myself at 801-538-5325.

Sincerely,

  
*Susan M. White*  
for Daron Haddock  
Permit Supervisor  
Minerals Regulatory Program

SMW:BE;be  
Enc: copy of \$2000 check  
Cc: Beth Ericksen, OGM  
Tom Munson, OGM  
Susan White, OGM  
P:\GROUPS\MINERALS\WP\M023-Juab\S0230047-Maynardtopaz\final\SITLAMoniesrecvdMaynard.doc

# STATE OF UTAH

TO: EDWARD T. ALTER, UTAH STATE TREASURER  
DIVISION OF FINANCE, 2110 STATE OFFICE BLDG, SALT LAKE CITY, UTAH 84114  
STATE VENDORS



WARRANT NUMBER  
**F 6626366**

PAYABLE ON  
UTAH STATE TREASURER **\$1,289**  
SALT LAKE CITY, UTAH 84114 **1280**

**PAY TWO THOUSAND DOLLARS AND 00 CENTS**

000RFD

TO THE ORDER OF

DIVISION OF OIL, GAS, & MINING  
1594 WEST NORTH TEMPLE  
SUITE 1210  
SALT LAKE CITY UT 84114--5801



VOID ONE YEAR FROM DATE

MONTH	DAY	YEAR
06	29	06

PAY THIS AMOUNT
\$ *****2,000.00

*Richard T. Beckwith*  
DIVISION OF FINANCE

DETACH BEFORE CASHING  
STATE OF UTAH, Division of Finance  
2110 State Office Building, Salt Lake City UT 84114

WARRANT VOUCHER #	INVOICE #	DESCRIPTION	AMOUNT
50 6TLA0101912	3/3/06 MN	ML 33042 - BOND TRANSFER	2,000.00

Worldwide mineral  
Permit # S10231041  
ML # 33042  
Maynard Toiaz Mine

**RECEIVED**  
**JUL 18 2006**  
Div. of Oil, Gas & Mining

000RFD

03 DATE: 06-29-06 WARRANT NO: F 6626366 TOTAL \$2,000.00

CTRL: 0001257

# STATE OF UTAH

EDWARD T. ALTER, UTAH STATE TREASURER

DIVISION OF FINANCE, 2110 STATE OFFICE BUILDING, SALT LAKE CITY, UTAH 84114  
STATE VENDORS



Warrant Number  
**F 7598900**

PAYABLE ON  
UTAH STATE TREASURER  
SALT LAKE CITY, UTAH 84114

**31-289**  
**1240**

**PAY Two Thousand And 00/100 Dollars**

VOID ONE YEAR FROM DATE  
**07-13-2007**

PAY THIS AMOUNT  
**\$\*\*\*\*\*2,000.00**

TO THE ORDER OF:

DIVISION OF OIL, GAS & MINING  
1594 WEST NORTH TEMPLE  
SALT LAKE CITY, UT 84114-5801

*Richard Beckwith*  
DIVISION OF FINANCE



DETACH BEFORE CASHING  
STATE OF UTAH, Division of Finance  
2110 State Office Building, Salt Lake City UT 84114

000LCR

Dept	Voucher #	Invoice # / Description	Amount
100	8DIS0000057	F6626366 / REPLACE F6626366	2,000.00

**RECEIVED**

**JUL 18 2007**

**DIV. OF OIL, GAS & MINING**

**From:** Penny Berry  
**To:** Dana Dean  
**Date:** 9/25/2008 8:54:41 AM  
**Subject:** Maynard Topaz S0230047

Hi Dana,

Background - SITLA was holding the money on this permit. They released it, but the check was made out to us. The check was never deposited because we never had a reclamation contract. This permit is closed.

Tom called and spoke with Diane Lund at SITLA and he told me he created a memo and everything was done on this. The memo was making it's rounds (this is odd because I finalize the memo's, but he told me he was trying to help out). I tried to locate this memo and I don't see it? Have you by chance seen a memo for Maynard Topaz dealing with bond release? I asked Vicki Bailey if the memo came across her desk, no. Thanks.

**From:** Tom Munson  
**To:** Penny Berry  
**Date:** 9/22/2008 10:47:56 AM  
**Subject:** Young and Associates- North Yellowcat-E0190059

Talked with Bob Young today and he wants us to get the check the fastest way possible. I wrote the memo last week and gave it to you, so lets put that right up the chain of command. Thanks, Tom

Tom Munson  
801-538-5321  
[tommunson@utah.gov](mailto:tommunson@utah.gov)



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>

File: S/023/047

CC: Bond file  
Beth  
Daron ✓

February 2, 2006

CERTIFIED MAIL 7160 3901 9842 9870 7708

SITLA 2,000

World Wide Mineral & Fossil Inc  
c/o Larry C. Apple, CPA  
4990 Paradise Road, Suite 106  
Las Vegas, NV 89119-1235

mine name  
maynard topaz mine  
operator  
Utah minerals and Fossil Inc

Dear Lessee:

Listed below is a surety that is presently held by the School and Institutional Trust Lands Administration ("SITLA") for reclamation of mining related disturbance that is associated with mineral development on trust lands.

Bond Amount  
2,000

Type of Surety: Cash  
Amount: \$2000  
Account No.: -  
Issued By: -, -  
Date Issued: -  
Mineral Lease No.: ML 33042  
DOGM No.: S/023/047

The Division of Oil, Gas and Mining ("DOGM") is the state agency responsible for implementing and enforcing the State of Utah's regulation of mineral mining and reclamation activities (Utah Code Sections 40-8-1 et seq.) and the State of Utah's Surface Coal Mining and Reclamation Program (Utah Code Sections 40-10-1 et seq.). SITLA and DOGM have entered into a Memorandum of Agreement Concerning Cooperative Administration of Mining Operations on School and Institutional Trust Lands, dated January 14, 2005 ("MOU"). The MOU transfers the responsibility for administering the reclamation of disturbances on SITLA's mineral leases to DOGM. Therefore, surety for reclamation shall be provided by the operator of the leased mineral lands to DOGM prior to commencing mining operations, and DOGM will be identified as the owner or holder of the surety. The surety for reclamation shall be held and administered by DOGM, and shall be of a type and in a form as determined to be acceptable by the rules established by the Board of Oil, Gas and Mining. The surety shall be payable to DOGM for use as necessary to satisfy the reclamation obligations of the mineral lessee or operator.



February 2, 2006  
Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at <http://ogm.utah.gov/minerals>.

Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

We anticipate that bonding for reclamation will be streamlined and hope you view this change as a positive effort to simplify the process. Thank you for your cooperation.

Sincerely



Tom Faddies  
Assistant Director/Minerals

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Utah Minerals and Fossil, Inc.** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/023/047** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

\_\_\_\_\_  
Operator Name

By \_\_\_\_\_  
Authorized Officer (Typed or Printed)

\_\_\_\_\_  
Authorized Officer - Position

\_\_\_\_\_  
Officer's Signature

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_ personally appeared before me, who being by me duly sworn did say that  
he/she is an \_\_\_\_\_ (owner, officer, director, partner, agent  
or other (specify)) of the Operator \_\_\_\_\_ and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

\_\_\_\_\_  
Notary Public  
Residing at \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
John R. Baza, Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, \_\_\_\_\_  
personally appeared before me, who being duly sworn did say that he, the said  
\_\_\_\_\_ is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

## FACT SHEET

**Commodity:** Topaz

**Mine Name:** Maynard Topaz Mine

**Permit Number:** S/023/047

**County:** Juab

**Disturbed Acres:** 5 (five)

**Operator Name:** Utah Minerals and Fossil, Inc.

**Operator address:** 84 EAST 1100 NORTH BOUNTIFUL UT 84010

**Operator telephone:** (801) 296-2516

**Operator fax:** \_\_\_\_\_

**Operator email:** \_\_\_\_\_

**Contact:** John Holfert

**Surety Type:** \_\_\_\_\_

**Held by (Bank/BLM):** \_\_\_\_\_

**Surety Amount:** \_\_\_\_\_

**Surety Account Number:** \_\_\_\_\_

**Escalation Year:** \_\_\_\_\_

**Tax ID or Social Security (for cash only):** \_\_\_\_\_

**Surface owner:** SITLA

**Mineral owner:** SITLA

**UTU and/or ML number:** ML 33042



**From:** Tom Munson  
**To:** Berry, Penny  
**Date:** 8/19/2008 4:49:34 PM  
**Subject:** release of \$2,000 Sitla Bond for Maynard's Topaz-S/023/0047

This site has transferred and the bond replaced. We can now release this \$2,000 Sitla bond if we can find it. I looked for the file and could not find it. Will do you still have this bond?

Tom Munson  
801-538-5321  
tommunson@utah.gov

**CC:** Heppler, Leslie; William Stokes

**From:** Daron Haddock  
**To:** Penny Berry; Tom Munson  
**Date:** 8/20/2008 7:44:49 AM  
**Subject:** Fwd: Re: release of \$2,000 Sitla Bond for Maynard's Topaz-S/023/0047

I checked the FoxPro database and it states that we received a bond check in the amount of \$2000 from SITLA on July 20, 2006 for this site. Typically Jed should have made sure this was deposited with the State Treasurer (actually I think it ends up at Zion's bank). The check may have gone to Vicki Bailey. Anyway, it should just be a matter of getting the Treasurer to issue a check and sending it back to the Permittee. There has to be some paperwork around somewhere. Either a receipt from the treasurer's office or a reclamation contract or even Vicki Bailey's log.

>>> Tom Munson 8/20/2008 7:17 AM >>>

Penny, according to Will Stokes we have the money somewhere? Daron, this conflicts with what you told me yesterday. Tom

## STATE OF UTAH

EDWARD T. ALTER, UTAH STATE TREASURER

DIVISION OF FINANCE, 2110 STATE OFFICE BUILDING, SALT LAKE CITY, UTAH 84114

STATE VENDORS

Warrant Number  
F 7598900PAYABLE ON  
UTAH STATE TREASURER  
SALT LAKE CITY, UTAH 8411431-289  
1240

PAY Two Thousand And 00/100 Dollars

VOID ONE YEAR FROM DATE

07-13-2007

PAY THIS AMOUNT

\$\*\*\*\*\*2,000.00

TO THE ORDER OF:

DIVISION OF OIL, GAS & MINING  
1594 WEST NORTH TEMPLE  
SALT LAKE CITY, UT 84114-5801

  
DIVISION OF FINANCE

 PAY TO THE ORDER OF  
WELLS FARGO BANK OF UTAH  
SALT LAKE CITY, UTAH 84111  
100 80 124000012  
FOR DEPOSIT ONLY  
STATE OF UTAH  
DIVISION OF NATURAL RESOURCES  
DEPT OF NR OIL GAS & MINING  
060000879  
FOR BANK USE  
PAYEE ENDORSEMENT AREA

 DETACH BEFORE CASHING  
STATE OF UTAH, Division of Finance  
2110 State Office Building, Salt Lake City UT 84114

Invoice # / Description

Amount

F6626366 / REPLACE F6626366

2,000.00

FEDERAL BANKING ACT 1987 - FEDERAL RESERVE REG. C

RECEIVED

JUL 18 2007

DIV. OF OIL, GAS &amp; MINING

S/023/047